

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 383 – SB 322**

February 23, 2009

**SUMMARY OF BILL:** Authorizes municipalities to negotiate fuel contracts through FY10-11. Current law only authorizes fuel contracts in FY08-09.

**ESTIMATED FISCAL IMPACT:**

**Decrease Local Expenditures – Exceeds \$25,000/Permissive/  
FY09-10 and FY10-11**

Assumptions:

- Any contract entered into pursuant to this proposed authorization shall only be effective in regard to actual fuel purchased in FY09-10 and FY10-11.
- Total consumption of gasoline and diesel fuel remains constant. Therefore, no change to gasoline tax revenue or diesel tax revenue.
- Local government expenditures are expected to decrease as a result of economies-of-scale achieved as a result of authorization to enter into contracts. Any decrease is dependent upon multiple unknown factors, such as fuel prices, negotiated fuel prices, the total volume of fuel involved, and other terms of multiple contracts. As a result, determining a precise fiscal impact is extremely difficult. However, the permissive decrease to local government expenditures is reasonably estimated to exceed \$25,000 per year.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/kmc

**HB 383 – SB 322**